Illegal dumping and smuggling of Chinese Silk

1780. DR. ALLADI P. RAJKUMAR: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that illegal dumping and smuggling of cheap Chinese silk is affecting the sericulture industry in India; and

(b) if so, the details and action taken by Government to protect the domestic industry?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) and (b) The details of the seizures of Cheap Silk smuggled from neighbouring countries are as follows:

Year	No. of cases of seizure of silk yarn/fabrics	value (Rs. in crores)
2002-03	62	5.7133
2003-04	45	0.7874
2004-05	32	09.785
2005-06 (upto October, 2005)	13	7.8655

Imports have been liberalized and all restrictions removed. Import duties have been lowered to increase imports to meet the demand for silk goods. In addition, all units of Directorate of Revenue Intelligence concerned with prevention of smuggling are maintaining strict vigil and making all out effort to prevent the smuggling of silk.

Several programmes and schemes to boost the silk industry in the country have been instituted. The important ones are:

1. During the X Plan period, under the Catalytic Development Programme, a provision of Rs. 181.00 crores has been made for

providing assistance to sericulture farmers/reelers to encourage them to adopt improved technology aiming at improvement in quality and productivity;

2. The Central Silk Board (CSB) has evolved new bivoltine breeds with assistance from the Japan international Co-Operation Agency (JICA). The commercial exploitation of these breeds has resulted in the production of international standard import substitute grade of mulberry raw silk in the country;

3. Through R&D efforts, the CSB has made a break through in tropicalising the bivoltine silkworm and development of new varieties of mulberry plants with higher yields resulting in significant improvement in silk productivity;

4. The SCB has developed improved multi-end reeling units to encourage large scale production of international grade quality silk. These improved machines are being popularized among the reelers through the Catalytic Developmental Programme at important reeling clusters all over the country and are producing gradable quality raw silk using the reeling package developed by Central Silk Technological Research Institute of Central Silk Board;

5. The CSB is making necessary efforts for the modernization of reeling facilities by importing automatic reeling machines to facilitate production of international grade quality silk;

6. The quality of yarn and fabrics in non-mulberry sector has also improved considerably through the introduction of motorized silk reeling/ spinning machines and setting up of Common Facility Centres. The CSB has developed new designs in non-mulberry sector and same are being popularized under the brand "Vanya Silk";

7. The CSB has launched the "Silk Mark" scheme through the Silk Mark Organisation of India (SMOI) which is a hallmark for the products

made from pure natural silk and guarantee the purity of silk products. Silk Mark scheme will also play an important role in brand promotion of Indian silk in domestic and foreign markets;

8. The CSB has recently launched futures trading in cocoon and raw silk through National Commodities and Derivatives Exchange Ltd. (NCDEX) which, can be effectively used as a tool to cover the risks associated with price fluctuations to boost the production of silk in the country;

9. Import of raw silk has been liberalized by being brought under OGL, which has increased availability of good quality silk enabling the manufacturers to produce export quality goods;

10. A number of schemes like Duty Entitlement Pass Book (DEPB), Duty Drawback, Duty Free Replenishment Certificate (DFRC) have been made available to exporters whereby the element of tax on the exported item is reimbursed to them;

11. Government has rationalized value addition/Input-output norms specified under the EXIM Policy extended to exporters;

12. The Government is providing assistance to the Indian Silk Export Promotion Council, Mumbai for undertaking various export promotion activities such as participation in international fairs, organizing generic promotion stalls in domestic fairs like TexStyles India, Publicity in foreign trade magazines, publication of magazine "Silk India" and colour forecast card for domestic silk manufacturers, dissemination of overseas trade information among exporters, etc; and

13. For Technological up-gradation of the industry loan at 5% point less than applicable rate, under the Technological Up-gradation Fund Scheme for the Textiles sector is available inter alia to the silk sector;